

PRESIDENT'S ADVISORY
PANEL
ON FEDERAL TAX REFORM

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The Presidents Advisory Panel
on Federal Tax Reform
1440 New York Ave. N.W. Suite 2100
Washington, D.C. 20220

Gentlemen:

I understand that you welcome comments on your tax reform task.

It is my strong belief that any taxation system must be equitable, that is, fair. The graduated income tax is the only tax that spreads the burden somewhat equitably -- how equitably depends on the rates applied to each income level, which is what the tax-reform panel must decide. It is only fair, however for the super-wealthy to pay the most and the poor to pay the least. There has been a tendency for the current administration to skew the tax code to favor the rich (based on the "trickle down theory", I suppose, but that is just irrational!

Two types of taxation should be dismissed out-of-hand. They are the National Sales Tax and the Flat Tax. Both are highly regressive. bearing heavily on the middle income people and the poor.

Corporate taxes need to be examined, especially the loop-holes that some of the most profitable corporations employ -- setting up off-shore headquarters and paying no U.S. tax, or essentially none... Even the much loved mortgage tax deduction bears scrutiny. Instituted to foster home ownership, which was good, but may have encouraged some people to buy houses they couldn't really afford and it may even be partly responsible for Urban Sprawl!

It is my hope that whatever the panel recommends, it will pass the test of fairness to the whole population.

Sincerely yours,



Beatrice B. Bibby